

SUMMARY OF THE FY 2005 LABOR-HHS-EDUCATION APPROPRIATIONS BILL *As Reported From Committee*

The FY 2005 Labor-HHS-Education appropriations bill, as reported from the House Appropriations Committee, includes a total of \$142.5 billion in discretionary appropriations. This is \$3.1 billion (2.2 percent) more than FY 2004, and \$202 million (0.1 percent) more than the Administration's budget request.

The bill includes the following changes from the current-year funding level:

- For the Department of Labor, a \$98 million (0.8 percent) *decrease*;
- For the Department of Health and Human Services, a \$986 million (1.6 percent) *increase*;
- For the Department of Education, a \$2.0 billion (3.6 percent) *increase*;
- For the "related agencies" covered by the bill, an overall increase of \$435 million (4.3 percent), most of which is for the Social Security Administration.

In addition, the measure includes \$570 million in various offsetting savings and scorekeeping adjustments, including two rescissions and a new fee for providers who submit duplicate or incomplete Medicare claims. By comparison, the FY 2004 bill included \$330 million in such offsets.

Department of Labor

The Committee bill includes \$11.7 billion for Department of Labor discretionary programs, \$280.0 million *less* than the President's request and \$97.7 million (0.8%) *less* than FY 2004.

Training and Employment Services. Although unemployment remains unacceptably high with 8.2 million Americans out of work, the Committee bill provides \$9.3 billion in total for training and employment services, \$236.3 million *less* than the Administration's request and \$39.7 million (0.4%) *less* than the current year. Funding for dislocated workers is increased modestly over last year's level, while most other training and job search programs are frozen or cut below last year's level.

For assistance to individuals who lose their jobs through mass layoffs and plant closings, the Committee bill provides \$1.5 billion for **Dislocated Workers**, a \$25 million (1.7%) increase over FY 2004. The bill restores the \$78.5 million cut proposed by the Administration for dislocated worker state formula grants and adds \$25 million over FY

2004 for the Secretary's national emergency grants, funded at \$301.2 million. The Committee bill denies most of the \$250 million requested for a new **community college technical training initiative** – the centerpiece of the Administration's "Jobs for the 21st Century Initiative." Instead, the bill allows the Labor Secretary to use up to \$50 million of the dislocated worker national emergency funds for this purpose. Also denied is the Labor Department's proposal to begin a \$50 million **Personal Reemployment Accounts** pilot program to provide limited training vouchers to unemployed individuals.

The Committee bill essentially level funds **Job Corps** at a total of \$1.5 billion, \$15 million less than the request. A residential job training program, Job Corps has had tremendous success in placing disadvantaged young adults into jobs. Within the total amount provided for Job Corps, operating expenses are allocated \$24.9 million more than FY 2004, providing a 1.8% increase compared to the requested 2.8% increase for salaries, rent and other operating costs. Funding to address a \$265 million backlog of Job Corp facility renovations, however, is reduced \$23.7 million (18.2%) *below* last year's level.

The Committee bill cuts several existing employment and training programs. First, the bill accepts the Administration's proposal to *cut* the **Employment Service** by \$87.9 million (10.3%). The Employment Service provides labor market information and job referrals to individuals looking for work, helps employers find workers, and is a building block for the nation's one-stop employment and training services delivery system. The Committee's cut will eliminate reemployment service grants supporting intensive job search and case management assistance to persons receiving unemployment benefits as well as other job placement assistance. Second, the Committee bill *deletes* all funding for the Administration's **prisoner/youth offender** training initiative (\$90 million). Third, the bill *rescinds*, as requested, \$100 million designated for the **H-1B Technical Skills Training Program**, which is designed to reduce the nation's reliance on foreign guest workers.

Other key employment and training services are essentially level funded. These include **Adult Training** (\$900 million), **Youth Training** (\$1.0 billion), and **Title V Community Service Employment** (\$440.2 million) for low-income older workers. The Committee bill rejects the Administration's plan to terminate the **Migrant/Seasonal Farmworker** program, restoring funding to its current level of \$76.4 million.

International Labor Affairs. The Committee bill provides only \$35.5 million for activities to promote international labor standards, enhance workers' rights and combat exploitive child labor, an enormous cut of \$74.3 million (67.6%) *below* last year's level and only \$5 million more than the amount requested by the Administration. As a result, funding dedicated to child labor projects will be slashed by 80.5%, from \$82 million in FY 2004 to only \$16 million in FY 2005.

Worker Protection. The Committee bill includes \$1.3 billion for worker protection agencies, a \$6.5 million (0.5%) cut below the Administration's request and a \$9.3 million (0.7%) increase over FY 2004. Within this total, the Occupational Safety and Health

Administration (OSHA) receives a \$4.1 million (0.9%) increase, the Mine Safety and Health Administration receives a \$6.7 million (2.5%) increase and the Employment Standards Administration receives a \$10.8 million (2.8%) increase over FY 2004. The bill includes a new prohibition, however, on the use of OSHA funds to enforce a new OSHA standard on respiratory protection for health care workers treating tuberculosis patients.

Department of Health and Human Services

For the Department of Health and Human Services (HHS), the Committee bill provides a program level of \$63.2 billion for FY 2005 – \$986 million (1.6 percent) more than the comparable FY 2004 level and \$44 million below the President's request.

Most of the growth above FY 2004 goes to the National Institutes of Health (NIH), which receive a \$733 million (2.6 percent) increase. Overall funding for all other health programs is *below* FY 2004 by \$75 million (0.4 percent) – the net result of cuts in the Health Resources and Services Administration and the Centers for Disease Control, combined with increases for Medicare administration and bioterrorism preparedness. Human services programs are \$347 million, or 2.3 percent, above FY 2004.

Compared to the President's budget, the bill provides \$242 million more for health programs other than NIH, \$229 million less for human services programs, and exactly the amount requested for NIH.

In addition, the bill includes \$355 million in offsetting savings involving the Department of HHS: \$155 million from imposing a \$5.00 charge for each duplicate or incomplete claim submitted to Medicare and \$200 million from rescinding funds provided in last year's Medicare legislation for facilities improvement loans to certain cancer research hospitals. By contrast, the Administration proposed \$737 million in offsets, including the Medicare claims fee and various other legislative savings in Medicare and Medicaid but not the cancer centers rescission.

Access to Health Care: Health Resources and Services Administration

The Health Resources and Services Administration (HRSA) helps provide basic health care to people lacking coverage. It also supports programs to improve the supply of doctors, nurses, dentists and other health care providers, particularly in professions and areas where shortages exist.

The Committee bill provides \$6.3 billion for HRSA – \$288 million or 4.3 percent less than in FY 2004. That cut partially reflects the Committee's policy of deferring action on Members' project earmark requests until conference. Leaving aside the \$372 million in FY 2004 project earmarks, the Committee has provided a minimal \$84 million increase above FY 2004.

There are only three major programs in HRSA that receive any increases above FY 2004: Community Health Centers, AIDS drug assistance, and nurse education. The bill would abolish one major health care safety net program and cut several rural health and health professions programs below last year's level. The rest of HRSA's programs receive frozen funding, with no increase to cover rising health care costs or growing numbers of patients.

The Committee's bill improves upon the Administration's budget in some respects. Overall, it provides \$283 million more for HRSA than the budget request to restore some – but not all – of the proposed cuts in health professions and rural health programs.

Community Health Centers. The bill provides the \$219 million (13.5 percent) increase requested by the President for grants for Health Centers – the only increase for any of the general health care “safety net” programs included in the bill. This program makes grants that cover, on average, about one quarter of the budgets of the recipient health centers, which provide primary and preventive health care in medically underserved areas on a low-fee or no-fee basis to uninsured and underinsured patients.

Healthy Communities Access Program. The Health Center increase is partially offset by elimination of the Healthy Communities Access Program (HCAP), which receives zero funding in the bill compared to \$84 million in FY 2004. HCAP grants help local consortia of health providers put together better integrated systems of care for uninsured and underinsured Americans, including better access to specialists and prescription drugs. The zero funding in the Committee's bill will cause about 70 localities to lose their existing grants, which normally last three years.

Rural Health. The Committee bill cuts Rural Health Care Services Outreach grants by one quarter, from \$40 million in FY 2004 to \$30 million in FY 2005. These grants support rural hospitals, clinics, health departments and other providers to help improve primary health care services in rural areas (including dental care, mental health treatment, and hospice care). The measure also cuts grants under the Small Hospital Improvement Program (SHIP) in half, from \$15 million to \$7.5 million. In both cases, though, the bill is above the President's proposals, which were \$11 million for outreach grants and zero for the hospital grants.

The bill also terminates a small new program of grants (funded at \$497,000 in FY 2004) to improve training for emergency services personnel in rural areas, and cuts the Rural Access to Emergency Devices program – which makes grants to help rural communities purchase defibrillators – from \$10 million in FY 2004 to \$4 million in FY 2005.

Maternal and Child Health. The Maternal and Child Health Block Grant receives flat funding under the Committee bill, after small decreases in the two previous years. The FY 2005 appropriation is just 2.9 percent higher than the level in FY 2001. The program helps states provide prenatal care for mothers and preventive health services and medical

treatment for children lacking other sources of health care, including children with disabilities and other special needs.

Similarly, the bill provides flat funding for the Healthy Start program, which makes targeted grants to improve prenatal and infant care in areas with high infant mortality rates. This freeze would follow two years of small decreases. The bill does continue grants to promote universal hearing screening for newborn infants – a \$10 million program that the Administration had sought to terminate.

Family Planning. The Committee bill freezes funding for the Title X Family Planning program at the FY 2004 level of \$278 million – just 5 percent above the FY 2002 level. The Title X program clinics provide uninsured and underinsured Americans with a range of health care services, including basic gynecological care, sexually transmitted disease testing and treatment, and breast and cervical cancer screenings, as well as contraceptive services.

HIV/AIDS Programs. The bill freezes funding for all components of the Ryan White CARE Act except the AIDS Drug Assistance Program (ADAP). These Ryan White components help support medical care, dental care, and various supportive services for HIV/AIDS patients lacking other sources of care, as well as some training and technical assistance. The bill's FY 2005 funding for Ryan White HIV/AIDS programs, other than ADAP, is 0.6 percent *below* the FY 2003 level and just 6.3 percent above FY 2001. This cut comes while the number of people with HIV/AIDS has been growing by about 7 percent per year in recent years.

The bill provides a \$35 million (4.6 percent) increase for AIDS drug assistance, which has been having trouble keeping up with rising demand and drug costs and will almost certainly continue to have trouble despite this modest increase.

Health Professions Programs. The Committee rejected the Administration's proposals to terminate virtually all of the "Title VII" health professions training programs, but did cut several of these programs below the current-year level. The bill cuts training in primary care medicine and dentistry, which helps ensure health care access in rural areas, by 22 percent (from \$82 million to \$64 million). Burdick Rural Interdisciplinary Training grants are cut from \$6 million to \$2 million. Grants for training in public health and preventive medicine are cut from \$9 million to \$7 million at a time when many public health departments are having trouble recruiting and retaining the professionals they need. Programs that help expand the number of health professions students from minority and disadvantaged backgrounds are maintained at the FY 2004 level, as are programs for training in geriatric medicine and allied health professions.

Nurse Education and Training. The Committee bill provides a \$5 million, or 3.5 percent increase for the "Title VIII" nurse education and training programs, as proposed by the Administration, appropriating a total of \$147 million – considerably less than envisioned when the Nurse Reinvestment Act was enacted two years ago. These

programs provide scholarships and student loan repayment assistance to nursing students who agree to work in shortage areas, as well as support for schools of nursing. With the amount provided by the bill, HRSA projects it will be able to fund only about 275 out of the 10,000 applications it expects to receive for the Nursing Scholarship Program. Similarly, HRSA expects to have funds for only 807 of 4,300 applications for the Nurse Education Loan Repayment Program.

Centers for Disease Control and Public Health Emergency Fund

For the Centers for Disease Control and Prevention (CDC), the Committee bill provides a total of \$4.5 billion – \$117 million (2.5 percent) *less* than in FY 2004. In total, the bill is virtually identical to the Administration's budget request.

The bill includes significant increases for Chronic Disease Prevention (up \$62 million or 7.3 percent), Birth Defects and Developmental Disabilities (up \$6 million or 5.7 percent), Health Statistics (up \$22 million or 17.2 percent), and a Global Disease Detection initiative (up \$25 million, roughly doubling the FY 2004 level). There are also increases for immunization, environmental health, and control of tuberculosis and sexually transmitted diseases, but these are small in percentage terms.

These increases are more than offset by cuts in the Preventive Health Services Block Grant (down by \$23 million or 17.5 percent) and in CDC Buildings and Facilities (cut \$179 million or 68.7 percent), as well as by discontinuation of congressional project earmarks from FY 2004 (which totaled \$44 million) with action on FY 2005 earmarks deferred until conference.

Immunization. The Committee bill provides an \$11 million, or 2.1 percent, increase for CDC's domestic immunization program, which helps cover the cost of public health department provided vaccinations for children. It also supports health department activities like running immunization clinics, conducting outreach and education, and operating immunization tracking and reminder systems.

Funding for this program has not kept up with rising costs. For example, while the proposed FY 2005 appropriation is only 3.4 percent higher than in FY 2002, CDC estimates that the average cost to immunize one child with all recommended vaccines will have increased by 18.5 percent over this same period. Also, appropriations have never caught up with the cost of the new pneumococcal conjugate vaccine introduced in 2000, which protects against forms of meningitis, blood infections and pneumonia. Currently, about 19 states do not have sufficient funds to provide this vaccine to children who receive immunizations through the CDC program.

Infectious Disease Control. The Committee's bill increases funds for CDC's Global Disease Detection initiative from \$23.8 million in FY 2004 to \$48.7 million in FY 2005. However, appropriations for other ongoing activities within CDC's general infectious disease control budget line would be up by just 1.1 percent above FY 2004. The only

significant increase within this line is \$4 million for West Nile Virus. With one other small exception, everything else would be frozen.

The bill provides no increase at all in the separate appropriation for prevention and control of HIV/AIDS, following a 0.7 percent decrease last year. The FY 2005 appropriation would be just 0.8 percent above FY 2002. Although the Administration announced a major initiative to expand HIV/AIDS testing last year, there isn't any increased funding to implement that initiative in either last year's bill or this year's bill.

Public Health Block Grant. Under the bill, the Preventive Health Services Block Grant is cut from \$133 million in FY 2004 to \$110 million in FY 2005. This grant provides flexible funding to state health departments to meet their high priority needs. Uses range from health screening to immunization to control of diabetes and asthma to basic outbreak investigation and public health laboratory support. The Block Grant was funded at \$150 million in FY 1999, cut to \$135 million in FY 2000, and reduced slightly in subsequent years – prior to the further cut to \$110 million contained in the bill.

Buildings and Facilities. For the past several years, CDC has been engaged in an extensive program to replace and upgrade its buildings and facilities, many of which were old and in poor condition. From FY 2001 through FY 2004, \$952 million was appropriated for this purpose and substantial progress has been made. The Committee bill provides only \$81.5 million to continue this program, down from \$260.5 million in FY 2004 but the same as the Administration's budget request.

Chronic Disease Prevention. CDC's Center for Chronic Disease Prevention and Health Promotion receives a \$62 million (7.3 percent) increase under the Committee's bill.

Within that total, the largest increase is for the Youth Media Campaign, which would grow from \$36 million in FY 2004 to \$65 million in FY 2005. This campaign (named "VERB") uses paid television advertising, community events, and partnership arrangements to promote physical activity among youths aged 9 through 13. The bill's FY 2005 funding is designed to be sufficient to maintain a national scope for this effort.

The second large increase is for Secretary Thompson's "Steps to a Healthier U.S." initiative, which makes competitive grants to large cities, states (for use in small cities and rural areas) and tribal governments for programs to prevent, detect and reduce complications from diabetes, asthma and obesity. Under the bill, funding would rise from \$44 million in FY 2004 to \$56 million in FY 2005.

The bill also includes increases between 5 and 8 percent for programs focusing on heart disease and stroke, diabetes, breast and cervical cancer screening, epilepsy, arthritis, and oral health. It freezes appropriations for other chronic disease prevention programs, such as tobacco use reduction, school health, and nutrition, physical activity and obesity.

Public Health Preparedness. The Committee bill rejects the President's proposals to cut state and local health department grants by \$105 million and hospital preparedness grants by \$39 million. Instead, both programs are maintained at essentially the FY 2004 level.

The measure provides \$100 million of the \$130 million requested for the bio-surveillance initiative at CDC, which would be used for electronic disease surveillance systems, improved laboratory capabilities, and expanded quarantine stations at airports and borders. It also includes \$450 million for the national stockpile of drugs, vaccines and equipment needed to respond to a terrorist attack or other public health emergency – roughly \$50 million more than both last year's level and the amount proposed by the President. Although funding for the stockpile is above the President's request, the Committee did not agree to the Administration's request for language allowing transfer of up to \$70 million from state and local public health grants to the stockpile, preferring instead to provide an increase directly.

Finally, the bill includes \$60 million to improve vaccine production capacity to better prepare for an influenza pandemic. This is \$10 million above FY 2004 but \$40 million less than requested.

Biomedical Research: National Institutes of Health

For NIH, the Committee bill is identical to the Administration's budget request. It provides a total of \$28.5 billion, which is \$733 million or 2.6 percent above FY 2004. This is the smallest percentage increase in NIH appropriations since FY 1986, and well short of the 3.5 percent increase needed just to keep up with estimated inflation in research costs.

Although the Administration says that its budget (and hence the Committee bill) would produce a small increase in the number of new and re-competing research project grants – reversing a *decrease* that is occurring in FY 2004 – it achieves that result only by assuming unusually tight limits on the average size of research grants. Among other things, the budget calls for holding continuing grants 1.1 percent below the levels committed to when the grants were made – the first time in years that there has been a general reduction below committed levels. NIH has testified that if the size of continuing and new grants were instead allowed to increase at normal rates, the FY 2005 budget would produce 382 fewer grants than in FY 2004 and 640 fewer than in FY 2003.

NIH also projects that the percentage of research grant applications that receive funding (the "success rate") would be 27 percent in FY 2005 under the President's budget or the Committee bill. That is the same as in 2004, which was the lowest success rate in nine years. By comparison, the applicant success rate reached a peak of 32 percent in 2001 before beginning to edge downward.

The Committee bill also adopts the Administration's proposal to eliminate grants to universities and other institutions for construction and improvement of medical research facilities – a program that received \$119 million in FY 2004. (A separate program of grants for construction of specialized bio-defense research facilities would receive \$150 million under the bill.)

Mental Health and Substance Abuse Prevention and Treatment

The Committee bill provides a \$29 million or 3.3 percent increase for mental health programs within the Substance Abuse and Mental Health Services Administration (SAMHSA). This includes launching a new program of grants to states to plan improvements in their mental health systems, albeit funded at \$20 million rather than the \$44 million proposed by the Administration. The bill also includes a \$4 million (3.6 percent) increase in grants for Children's Mental Health Services and a \$5 million (11 percent) increase for the "PATH" program of services for homeless people – both the same as the budget request. However, the Community Mental Health Services Block Grant – a basic source of support for mental health services – receives \$436 million in the bill, just 0.3 percent above FY 2004 and 0.7 percent above FY 2002.

Overall funding for substance abuse prevention and treatment would be only about 0.5 percent above FY 2004. Within this total, the Committee bill maintains funding for the Administration's "Access to Recovery" treatment voucher initiative at \$100 million rather than the \$200 million requested by the President. Instead of the 3.0 percent increase in the Substance Abuse Block Grant proposed by the Administration, the bill includes an increase of just 0.6 percent.

Human Services Programs

Low-Income Home Energy Assistance Program (LIHEAP). The Committee bill provides \$2 billion for LIHEAP, consisting of \$1.9 billion for the regular formula grant program and \$100 million in contingency funds for emergency grants. That represents an overall increase of \$111 million, or 5.9 percent above FY 2004. However, it barely gets the program above its FY 2003 level, when \$1.988 billion was available for LIHEAP (\$1.788 for the regular program and \$200 million for emergency grants).

Increased energy prices combined with cold winters have increased the demand for LIHEAP. At the same time, funds available for LIHEAP in FY 2005 under the Committee bill are only 11 percent greater than in FY 2002. The number of households seeking assistance is rising, but the program still serves only about 14 percent of the eligible population. The average LIHEAP household has an income of less than \$10,000 and the majority of LIHEAP households have at least one member who is elderly, disabled, or a child under five.

Low-Income Weatherization Assistance. The bill freezes funding for the Energy Department's Weatherization Assistance Program at the FY 2004 level of \$227 million,

rejecting the President's proposal for an increase to \$291 million. (The House Appropriations Committee transferred this program from the Interior bill to the Labor-HHS bill this year.) Weatherization is critical to helping low-income families cope with rising energy prices, as well as to reducing energy consumption. The Administration estimates that even with their proposed increase the program would serve only about half of eligible families who apply for assistance; without the increase that proportion would likely be about two-fifths.

Child Care. The Committee bill includes \$2.1 billion for the appropriated portion of the Child Care and Development Block Grant – an increase of just \$12 million or 0.6 percent above the current year. The proposed funding for FY 2005 is identical to the level three years earlier. After rising child care costs are taken into account, this means a real reduction in help for working families.

Head Start. The Committee bill includes \$6.9 billion, which is \$115 million or 1.7 percent above FY 2004 and \$45 million less than requested in the President's budget. The \$45 million eliminated from the request was intended to cover the cost of controversial pilot projects in 9 states that would expand the role of state government in operating Head Start. In rejecting the pilot projects, however, the Committee did not redirect the proposed \$45 million funding to the existing program. Currently, Head Start serves only about half the eligible 3 and 4 year olds, and only about 3 percent of eligible children less than three years old.

Refugee Assistance. The Committee bill provides \$491 million for assistance to refugees – \$44 million more than the current year and \$18 million more than the President's request. The number of refugees arriving had fallen by more than half since 2001, and appropriations were reduced last year. However, the number of arrivals is now beginning to rise and is expected to continue to do so, which is the reason for the appropriation increase.

Community Services Block Grant. The Committee bill makes a \$14 million, or 2.2 percent, cut in the Community Services Block Grant – considerably less than the \$147 million reduction proposed by the Bush Administration. The block grant provides funds for locally driven initiatives to help meet needs such as housing, emergency assistance and services to senior citizens, as well as to promote economic development.

Abstinence-Only Sex Education. The bill provides \$110 million for grants to local organizations for "abstinence education" for youths aged 12 through 18 – a \$35 million or 47 percent increase above FY 2004 but considerably less than the \$112 million (150 percent) increase sought by the Bush Administration.

Other Children and Family Services Programs. The Committee bill freezes funding for Family Violence Prevention programs at the FY 2004 level of \$126 million. It also freezes funding for Developmental Disabilities programs at \$165 million, including basic

state grants, university-based centers, and grants to improve voting access for people with disabilities.

The Committee provided increases of \$7 million for grants to states for child abuse prevention and \$10 million for grants for community-based child abuse prevention programs. However, these are less than the increases of \$20 million and \$32 million, respectively, sought by the Administration.

Administration on Aging. Under the Committee's bill, overall appropriations for services to older Americans through the Administration on Aging would increase by \$30 million or 2.2 percent, \$27 million more than proposed by the Bush Administration. The FY 2005 increase follows two years of even smaller increases in the AOA budget, leaving the FY 2005 figure just 4.0 percent above its level three years earlier.

Formula grants for Home and Community-Based Supportive Services would rise by \$3 million or 0.9 percent under the bill – an increase that would just bring the program back to its FY 2002 appropriations level. These grants support local senior citizens centers, adult day care programs, some in-home homemaker and personal care assistance for frail or disabled seniors, transportation programs, referral and case management services, and other similar activities.

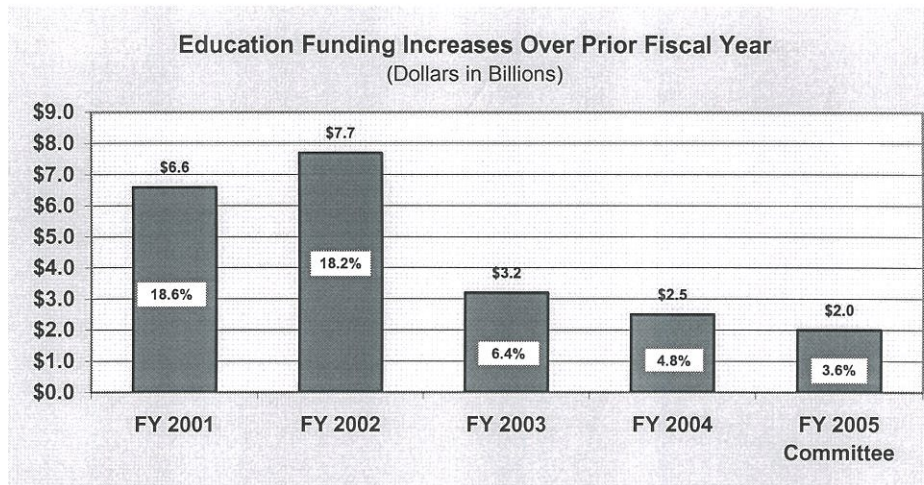
Appropriations for seniors' nutrition programs would increase \$16 million or 2.2 percent. These programs include both home-delivered "Meals on Wheels" and meals served in senior centers and other central locations.

The bill includes a \$4 million (2.8 percent) increase for the National Family Caregiver Support Program, which makes grants to states to support people providing care for disabled elderly family members. However, it adopts the Administration's proposal to cut funding for grants for Protection of Vulnerable Older Americans from \$19.4 million in FY 2004 to \$18.6 million in FY 2005, returning the program to its FY 2003 level. The largest part of this funding provides grants to states to help support Long-term Care Ombudsman programs, which use a combination of paid and volunteer staff to help protect people living in nursing homes and assisted living facilities.

Department of Education

The Committee bill includes \$57.7 billion for Department of Education discretionary programs, \$342 million more than the President's request. The \$2.0 billion (3.6 percent) increase over FY 2004 included in the bill continues a downward slide in new discretionary education investments under the Bush Administration.

No Child Left Behind. The Committee bill provides \$24.8 billion for the No Child Left Behind (NCLB) Act in FY 2005, \$120.2 million *less* than the President's request for NCLB and \$9.5 billion *less* than the NCLB authorization. Compared to the current level, however, the bill provides a slight increase of \$327.9 million (1.3%) for NCLB.



Title 1. Title 1 grants to school districts support remedial education for the nation's low-income and minority children so that they can meet high academic standards. The Committee bill includes \$13.3 billion for Title 1 grants, the same amount as the Bush request and a \$1 billion (8.1%) increase over FY 2004. Despite this needed increase, Title 1 appropriations in FY 2005 would still fall \$7.2 billion short of the NCLB funding promise – accounting for most of the total \$9.5 billion NCLB shortfall in the Committee bill.

IDEA. The Individuals with Disabilities Act (IDEA) helps ensure that the nation's 6.9 million children with disabilities receive high quality education and supportive services. The Committee bill includes \$11.1 billion for IDEA Part B State Grants, the same amount as the President's request and a \$1 billion (9.9%) increase over FY 2004. Under the Committee bill, the federal contribution toward special education costs would increase from 18.7% in FY 2004 to 19.8% in FY 2005. Nonetheless, the Committee bill still falls \$2.5 billion short of the \$13.6 billion promised last year by the Majority party when it passed H.R. 1350, the IDEA reauthorization bill.

After School Centers. A key concept in NCLB is that students who are falling behind are able to receive tutoring and a broad array of enrichment services in school and community-based after school centers. The Committee bill freezes funding for the **21st Century Community Learning Centers** at \$999 million – about half of the \$2.0 billion authorized by NCLB. At the \$2.0 billion level, an additional 1.3 million children could be served in such communities as Davenport, Iowa, Columbus, Ohio, Greenville, South Carolina, and Salt Lake City, Utah, all of which are struggling to keep existing after school centers open to serve children in working families.

Teacher Training. Under NCLB, a highly qualified teacher must be in every classroom by the end of the 2005 school year. According to a July 2004 report from the Education Commission of the States, *no* state had fully met this requirement. For teacher professional development in FY 2005, the Committee bill provides less than an inflationary increase for **Teacher Quality State Grants** – NCLB's core teacher training

program – following a funding freeze in FY 2004. The \$2.95 billion allocated for teacher training state grants is \$19.9 million (0.7%) more than the Administration's request and FY 2004, but \$225 million less than the NCLB authorized level. Most other teacher training programs are frozen. They include the National Board of Professional Teaching Standards (\$10 million), Troops-to-Teachers (\$14.9 million), Transition-to-Teaching (\$45.3 million), Ready to Teach (\$14.3 million) and Teacher Quality Enhancement (\$88.9 million).

Impact Aid. Impact Aid grants to 1,300 school districts are funded at \$1.3 billion in the Committee bill, a \$21.4 million (1.7%) increase over the Administration's request and FY 2004.

Math and Science Partnerships. The Committee bill includes \$269.1 million in the Department of Education, as requested by the Administration, for Math and Science Partnerships. These funds, together with \$82.5 million (reduced \$56.7 million below FY 2004) for the National Science Foundation's component of the program in the House Appropriations Committee VA-HUD bill, will provide a total of \$351.6 million for partnership grants between states, colleges, and high-need school districts to help students master challenging math and science material. Between the Education Department and NSF, \$63.3 million (22%) more will be available for math and science teacher training than in the current year.

Language Acquisition State Grants are designed to assist the nation's 5.5 million children who have limited English speaking and reading skills. In 13 states (Alabama, Arkansas, Georgia, Idaho, Indiana, Kansas, Kentucky, Nebraska, Nevada, New Hampshire, North Carolina, South Carolina and Tennessee), this student population more than tripled over a ten-year period. Language acquisition funding is frozen at \$681.2 million for the second year in the Committee bill.

Safe and Drug Free Schools. Funding for school violence prevention, substance abuse prevention, and school safety activities is frozen at \$594.7 million – a cut of \$21.3 million below the Administration's request. Within the total, up to \$10 million may be used to implement and evaluate school-based drug testing programs, \$8 million more than FY 2004 but \$15 million less than the request.

Rural Education. About 6,500 rural school districts receive flexible funding for academic interventions under the **Rural Education Achievement Program**, which is frozen at \$167.8 million in the Committee bill.

Adult Education. **Adult Education State Grants** for immigrants who need to learn English and other adults who lack a high school diploma are frozen at \$574.4 million in the Committee bill.

Vocational and Career Education. The Committee bill restores most of the vocational and career education cuts proposed by the President and provides a \$20 million (1.7%)

increase over FY 2004 for vocational education state grants. Federal support, however, to establish model high schools on community college campuses (\$4.9 million) and for guidance and academic counseling activities for youth and adults (\$9.4 million) is eliminated.

22 Education Programs Eliminated. The Committee bill eliminates 22 education programs funded at \$706.1 million in FY 2004, including:

- **Flexible Innovative Education** (education block grant) funding of \$296.5 million, which helps the nation's 15,500 school districts pay for locally identified needs, such as up-to-date instructional materials, counseling services, and parental involvement activities.
- **Teaching American History** grants totaling \$119.3 million, which help teachers improve their knowledge and instruction of American history. For example, Georgia's Troup County School System partnered with the Library of America, LaGrange College and Troup County historical society to provide professional development to 120 teachers from rural and urban school districts.
- **Arts in Education** funding totaling \$35.1 million, which assisted schools in Boston, Kansas City and Patagonia, Arizona improve student learning by integrating arts instruction into the core curriculum. FY 2004 funding also supported model arts education programs, including Very Special Arts for Americans with disabilities and the Kennedy Center, which trained approximately 25,000 teachers in the arts.
- **Dropout Prevention** assistance, aimed at finding effective solutions to the problem of approximately 500,000 students who leave high school each year without a diploma. Under the \$5.0 million Dropout Prevention program, the Chicago Public Schools targeted at risk, first generation Hispanic immigrant students; the Poplar, Montana schools helped at risk Native American students succeed in school; and the Washoe County School District in Reno, Nevada assisted 1,345 students with remedial education, mentoring, and comprehensive guidance counseling.
- \$16.5 million in **Foreign Language** assistance, which helps elementary and secondary schools enrich their curricula with foreign language instruction.
- \$9.9 million in **Community Technology Centers** funding, which helps low-income communities bridge the digital divide. According to the Department of Education, technology centers in Los Angeles, San Diego, New Orleans, Worcester, Mass., and New York City made "significant progress in helping participants pursue their goals in acquiring GED credentials, improve English literacy skills, and increase job and basic skills through technology."

Education Programs Cut, But Not Eliminated. The Committee bill cuts more than \$500 million from several programs. The largest of these are described below.

- **Comprehensive School Reform (CSR)**, which helps primarily high-poverty schools implement proven, school-wide improvement strategies, is cut \$227.7 million (74%) in the Committee bill, eliminating 2nd and 3rd year CSR grants to approximately 2,500 schools.
- **Smaller Learning Communities** helps large, autonomous high schools reorganize into smaller, safer and more successful schools that provide more individual attention to students. For example, Houston, Texas received \$4.4 million under this program to support a district-wide initiative to personalize learning in all 24 of its comprehensive high schools. FY 2005 Federal assistance for “small schools” is cut \$72.3 million (41.5%) in the Committee bill.
- **Education Technology**, which supports teacher technology training and the integration of technology into classrooms, is cut \$91.8 million (13.3%) in the Committee bill.
- **Assistive Technology**, which expands access to mobility devices, hearing aids, computers and other assistive technology for Americans with disabilities, is cut \$10.9 million (42.2%) in the Committee bill.
- **Perkins Loans**, which provide supplemental low-interest loans to low- and middle-income college students with exceptional need, are cut \$98.8 million (59.7%) in the Committee bill. As a result, about 53,000 students would not receive Perkins Loans.

Program Restorations. The Committee bill restores several smaller programs slated for elimination in the President’s budget, including **Gifted and Talented Education** (\$11.1 million), the **National Writing Project** (\$17.9 million), **School Counseling** (\$33.8 million), **Ready to Teach** (\$14.3 million), and **School Leadership** (\$15 million).

Student Financial Aid. The Committee bill makes little progress in making college more affordable for disadvantaged students. It freezes the **maximum Pell Grant** for low-income college students at \$4,050 for the second year in a row, deletes funding for “**enhanced**” **Pell Grants** for students who undertake a rigorous high school curriculum, freezes **College Work Study** assistance, and eliminates \$98.8 million in new federal contributions to **Perkins Loan** revolving funds. Low-income college students will receive help with dramatically rising tuition bills only through a \$24 million (3.1%) increase over FY 2004 for **Supplemental Educational Opportunity Grants**, and a restoration of \$66.2 million for **LEAP** grants for state need-based student financial assistance programs, which the Administration sought to eliminate. In addition, the bill reverses a recent Department of Education policy letter concerning consolidation of student loans.

TRIO and GEAR UP. **TRIO** is the primary national effort to help low-income and first generation students reach college and earn a degree. The Committee bill provides a cost-of-living increase of \$10 million (1.2%) for TRIO programs. **GEAR UP** is a successful early intervention program that targets entire grades of at risk middle school students and provides them with tutoring, mentoring, college preparation and scholarships. GEAR UP will serve about 480,000 fewer students next year – a 33% cut – despite a \$20 million (6.7%) increase over the Administration’s request and FY 2004 in the Committee bill.

Historically Black Colleges (HBCUs) and Hispanic Serving Institutions. The Committee bill provides a \$17.7 million (8.0%) increase for HBCUs and a \$1.9 million increase (2.0%) for Hispanic Serving Institutions over last year’s levels.

New Initiatives. The Committee bill provides \$100 million for a **Striving Readers** initiative, requested by the President, to raise reading achievement among high school students. In addition, the bill inserts new funding of \$30 million sought by the states, but not requested by the Administration, to assist states with the costs of new **Statewide Data Systems** needed to disaggregate student achievement data under NCLB. At the same time, the bill denies \$133 million for several other initiatives sought by the Administration: **school choice vouchers**, **math/science adjunct faculty**, an initiative to smooth education transitions for children of highly mobile **military families**, and **“enhanced” Pell Grants** of up to \$1,000 for high school students who participate in a rigorous program of study.

RELATED AGENCIES

Corporation For Public Broadcasting

The Committee bill modifies previously appropriated fiscal year 2005 funding of \$390 million for the Corporation for Public Broadcasting (CPB) by earmarking up to \$20 million of these funds to meet FCC-mandated conversion to digital broadcasting and up to \$60 million to begin replacement of the satellite interconnection system for public television. In previous years, separate appropriations were provided for these activities.

The Committee bill provides a \$400 million FY 2007 advance appropriation for CPB, the same amount as the previously appropriated FY 2006 advance appropriation. The Administration did not request an FY 2007 advance appropriation for CPB.

Social Security Administration

The Committee bill provides \$8.798 billion for the operating costs of the Social Security Administration – \$485 million (5.8 percent) more than in FY 2004 but \$83 million less than the budget request. The large increase was requested as part of an effort to keep up with workloads and reduce backlogs, particularly backlogs of claims for disability benefits awaiting decisions or hearings.